

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	CSSB 111(EDC)
Fiscal Note Number:	1
(S) Publish Date:	4/26/2021

Identifier: SB111CS(EDC)-EED-PEF-4-22-21
Title: EARLY EDUCATION; READING INTERVENTION
Sponsor: EDUCATION
Requester: Senate Finance

Department: Fund Capitalization
Appropriation: No Further Appropriation Required
Allocation: Public Education Fund
OMB Component Number: 2804

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits			3,000.0	6,000.0	9,000.0	11,997.1	14,994.2
Miscellaneous							
Total Operating	0.0	0.0	3,000.0	6,000.0	9,000.0	11,997.1	14,994.2

Fund Source (Operating Only)

1004 Gen Fund (UGF)			3,000.0	6,000.0	9,000.0	11,997.1	14,994.2
Total	0.0	0.0	3,000.0	6,000.0	9,000.0	11,997.1	14,994.2

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Updated to reflect the new committee substitute - fiscal and narrative changes made based on the \$3,000.0 funding cap on the pre-kindergarten grants and amended effective date from July 1, 2021 (FY2022) to July 1, 2022 (FY2023).

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Phone: (907)465-2875
Date: 04/22/2021 03:00 PM
Date: 04/23/21

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

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Analysis

This bill creates four new programs: an early education program, a comprehensive reading intervention program, a school improvement reading program, and a virtual education consortium. **This fiscal note addresses the early education program.**

The early education program, created under AS 14.03.135, is approved by the Department of Education and Early Development (DEED) and funded by the state through a three-year grant process. Once those districts have completed the three-year grant cycle and DEED has determined the early education program complies with the adopted standards as created by the State Board of Education and Early Development, then those programs may be eligible for 1/2 the full-time equivalent for average daily membership (ADM) funding under AS 14.17.410. Foundation funding would only be provided to those districts that are not already receiving early education funding by another state or federal program. The grant program and ADM funding are repealed on June 30, 2034 (FY2034).

The current pre-kindergarten grant counts, as provided by the Division of Innovation and Education Excellence, were used in calculating anticipated foundation funding. Half of the average cost per student was used as a multiplier for purposes of this fiscal note. This number was derived by using the final FY2021 State Aid Entitlement of \$1,219,913,567 and dividing it by the total ADM projected at 127,015.30 to arrive at \$9,605. The average per student cost was then divided in half to arrive at \$4,803, so as to be in alignment with the language added in AS 14.17.500(d).

The district's pre-kindergarten students can transition to the foundation formula after completing the three year grant process. Therefore, the first approved pre-kindergarten program to receive state aid through the ADM would be on the fourth year or FY2026. Since those pre-kindergarten student counts cannot be determined, the following calculation of students are based on the cohort used for projecting the grant. Total grant funding awarded to districts may not exceed \$3 million in a fiscal year, unless the legislature appropriates another amount.

FY2026 =	624 students x \$4,803 =	\$2,997,072
FY2027 =	624 students x \$4,803 =	\$2,997,072
FY2028 =	624 students x \$4,803 =	\$2,997,072
FY2029 =	624 students x \$4,803 =	\$2,997,072
FY2030 =	624 students x \$4,803 =	\$2,997,072
FY2031 =	624 students x \$4,803 =	\$2,997,072
FY2032 =	624 students x \$4,803 =	\$2,997,072
FY2033 =	624 students x \$4,803 =	\$2,997,072
FY2034 =	624 students x \$4,803 =	\$2,997,072

This bill also includes transition language for districts with existing early education programs that get approved by the State Board of Education and Early Development, but limits the amount available under the foundation formula for distribution in FY2023 to \$3 million, and in subsequent years not more than a \$3 million increase over the prior year.

The effective date of this bill is July 1, 2022 (FY2023).